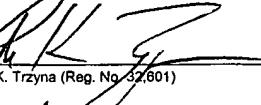


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Signed: 
Peter K. Trzyna (Reg. No. 32,601)

Date: 29 Nov 2000

PATENT

Paper No.

File No. NewMrktP98-1

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Inventors	:	Anthony F. Herbst and Wayne E. Gandy	RECEIVED
Serial No.	:	09/197,908	DEC 06 2000
Filed	:	November 23, 1998	Technology Center 2100
For	:	DIGITAL COMPUTER SYSTEM AND METHODS FOR MANAGING AN AUCTION MARKET FOR PREFERRED-RETURN SECURITIES	
Group Art Unit	:	2761	
Examiner	:	Retta Yehdega	

The Commissioner of Patents and Trademarks
Washington, D.C. 20231

RESPONSE

SIR:

In further response to the Office Action mailed 29 December 1999, in the above-referenced patent application, please reconsider the application in view of the enclosed and the remarks set forth below.

I. REMARKS

In the above-referenced Office Action, the Examiner has questioned the meaning of the term "instruments" in the context of the patent application and claims.

Applicant submits that the notion of a financial instrument was readily known to one having ordinary skill in the art at the time that the application was filed. The financial instrument terminology is widely used in SEC regulations. See, e.g., 17 CFR parts 210, 228, 229, 239, 240, 149, a portion of which are enclosed.

Additionally, In December 1991, the Financial Accounting Standards Board ("FASB") issued Statement 107, entitled *Disclosures about Fair Value of Financial Instruments*, in an attempt to enhance the relevance of financial instruments reporting. In October 1994, Statement 107 was amended by Statement 119, entitled Disclosure about Derivative Financial Instruments and Fair Value of Financial Instruments. See

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